

CALIFORNIA WETFISH PRODUCERS ASSOCIATION

Representing California's Historic Fishery

August 24, 2004

Mr. Don Hansen, Chair &
Dr. Don McIsaac, Executive Director
Pacific Fishery Management Council
7700 NE Ambassador Place #200
Portland OR 97220-1384

RE: Agenda Item I.3.c – CPS FMP Amendment – Sardine Allocation

Dear Chairman Hansen, Dr. McIsaac and Council members,

The California Wetfish Producers Association (CWPA) represents the major sardine processors in both Monterey and southern California, along with fishermen from both regions. We very much appreciate this opportunity to address the Council on the issue of long-term sardine allocation, expanding on the CPSAS report.

As the CPSAS report noted, industry representatives have engaged in extensive discussions to date, including inter-regional communications. CWPA is committed to continue working toward a suite of reasonable alternatives to present to the Council, following the objectives that resulted from initial ad hoc meetings between Pacific Northwest and California industry representatives.

A note on the objectives as stated:

Both northern and southern reps. agreed to strive for a flexible allocation plan that fosters full use of optimum yield, if possible.

Both regions also acknowledged that the plan should protect CA's historic dependence on sardine while providing the OR/WA fishery with increased fishing opportunity when stock(s) are abundant in the north. However, re: "sharing the pain equally" at reduced HG levels, the regions do not agree on the meaning of the word "equal". PNW representatives are now advocating 50:50 allocation, even in low quota years, which would clearly pre-empt the federally permitted limited-entry fishery in CA to foster increased harvest in the "open access" area.

In light of oceanic and resource changes observed in the northern fishery, documented by observers on the grounds as well as the 2004 summer sardine field survey, the possibility exists that sardines will be less abundant or absent from northern waters coinciding with a reduction in the biomass and HG. It is also likely that no "one size fits all" allocation formula can equitably address both high-quota and low-quota situations. For that reason, we propose that the Council consider the need to adopt a framework that provides for different allocation formulas for HGs above and below a pre-defined level – for example, 100,000 tons. We further suggest that any "long-term" allocation scheme adopted by the Council be reviewed and, if necessary, adjusted after two years.

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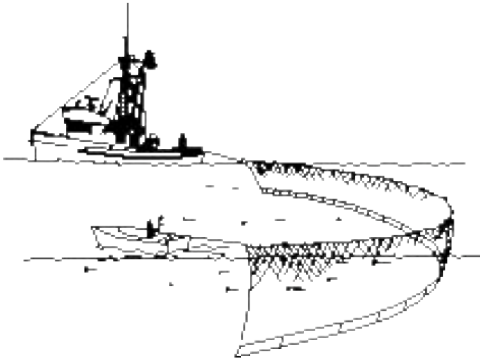
At this time we would like to share with the Council the initial ideas, discussion and analysis that we submitted to Council staff following the recent CPSAS meeting, much of which was included generically in the CPSAS report.

We very much appreciate the Council's consideration of this information.
Thank you very much for your attention.

Sincerely,

Diane Pleschner-Steele
Executive Director

cc: Rod McInnis
Dan Waldeck



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SUGGESTED OPTIONS FOR LONG TERM SARDINE ALLOCATION from CA SARDINE INDUSTRY

In an effort to narrow and refine the number of options for long-term sardine allocation, members of California's sardine / wetfish processing industry met in San Pedro on August 13 to consider recommendations from CA.

The objective of this exercise was to accomplish the following:

- [a] design a more flexible framework to achieve optimum yield when the harvest guideline is above 100,000 tons,
- [b] protect California's historic, federally permitted limited entry fishery from premature closure during its peak fall-winter season when the harvest guideline falls below @100,000 tons.
- [c] provide equitable fishing opportunity for the emerging fishery in OR/WA while fish remain available in the north.
- [d] avoid "locking up" quota in the north when sardines disappear from northern waters, ostensibly at lower quota levels.

CA wetfish industry emphasizes the need to review any long-term option selected by the Council within two years and make adjustments as needed to reflect status of resource and fishing trends.

Notes:

[a] A member of the sardine STAT responsible for developing sardine biomass estimates and harvest guidelines makes a compelling argument in favor of retaining the January 1 season start date: to utilize current season field and fishery data to develop biomass estimate and HG. Any alteration to the season start date (e.g. September season opening or June season opening) would necessitate using prior year data. In light of the changes apparent in the resource, CA industry members agree with and prefer the use of current year data to develop biomass and HG, thus all options suggested by CA begin January 1.

[b] However, a January 1 start date potentially penalizes CA's limited entry fishery if quota is "used up" by the emerging sardine fishery in the PNW prior to CA's peak season, which begins in September and continues through December and on into March of the following year. To avoid premature shut-down in November or December, it is critical to provide adequate HG in the period Oct-Dec. CA has demonstrated use of $\pm 22,000$ tons in the period Sep-Dec. over the past seven years.

The options provided below are **not** listed in order of preference at this time:

1. Area allocation

Above 100,000 tons

[a] Status quo (interim allocation):

33% allocated to N, 66% allocated to CA effective January 1.

Reallocation of all unused HG 20% N, 80% S effective September 1.

Reallocate all unused coast-wide effective November 1.

[b] Modified status quo: N = PNW; S = CA. Season begins January 1.

40% allocated to N, 60% allocated to CA effective January 1.

Reallocation of all unused HG 40% N, 60% S effective September 1.

Reallocate all unused coast-wide effective November 1.

Below 100,000 tons

[c] Status quo (interim allocation) with no reallocation Sept. 1

33% allocated to N, 66% allocated to CA effective January 1.

Reallocate coast-wide October 1.

2. Seasonal allocation

Above 100,000 tons

[a] 40% allocated coast-wide January 1 for period Jan – June 30

Unused HG automatically rolls into next seasonal release

40% + prior unused allocated coast-wide July 1 for period Jul – Sep 30

20% + prior unused allocated coast-wide Oct 1 for period Oct-Dec

[b] 35% allocated coast-wide January 1 for period Jan – June 30

Unused HG automatically rolls into next seasonal release

50% + prior unused allocated July 1 40% to PNW, 10% to CA for period Jul – Sep 30

15% + prior unused allocated coast-wide October 1 for period Oct – Dec 31

Below 100,000 tons (at reduced quota, assuming fish are largely unavailable in PNW)

[c] 40% allocated coast-wide January 1 for period Jan – June 30

Unused HG automatically rolls into next seasonal release

35% + prior unused allocated coast-wide July 1 for period Jul – Sep 30

25% + prior unused allocated coast-wide Oct 1 for period Oct – Dec 31

[1b]

MODIFIED STATUS QUO ALLOCATION BY AREA >100,000 TONS

Jan I season open - 60% South, 40% North

Reallocate September I 60 S / 40 N, Coast-wide I I / I

110,000 TONS	PNW	CA
Month	44,000	66,000
Jan	0	9,026
Feb	0	7,496
Mar	0	6,665
Apr	0	4,543
May	0	2,780
Jun	3,136	1,273
Jul	12,117	2,652
Aug	15,617	5,277
SubT	30,870	39,712
Bal Unused 9/1	13,130	26,288
Reallocate	15,767	23,651
Sep	10,818	4,646
Oct	1,350	8,146
SubT	3,599	10,859
Nov	0	4,892
Dec	0	4,321
Total Used	43,038	61,717
*Net Bal.	3,599	1,646

* Assume PNW balance harvested

[1a & 1c]

STATUS QUO ALLOCATION BY AREA <100,000 TONS

Jan I season open - 66% South, 33% North

Reallocate September I 80 S / 20 N, Coastwide I I / I I

90,000 TONS	PNW	CA	CA w/ No Sept.
Month	29,700	59,400	Reallocation
Jan	0	9,026	9,026
Feb	0	7,496	7,496
Mar	0	6,665	6,665
Apr	0	4,543	4,543
May	0	2,780	2,780
Jun	3,136	1,273	1,273
Jul	12,117	2,652	2,652
Aug	15,617	5,277	5,277
SubT	30,870	39,712	39,712
Bal Unused 9/1	-1,170	19,688	
Reallocate	3,938	15,750	No reallocation
Sep	10,818	4,646	4,646
Oct	1,350	8,146	8,146
SubT	-8,230	2,958	
Nov		-1,934	4,892
Dec		-4,321	4,321
Total			61,717

[2a]

40/40/20% RELEASE OF HARVEST GUIDELINE (MT) + ROLLOVER					
CA Average+					
H.GUIDELINE	123,000	110,900	100,000.00	80,000	60,000
Jan Rel. @40%	49,200	44,360	40,000	32,000	24,000
CA Av+ Jan-Jun	-31,783	-31,783	-31,783	-31,783	-31,783
PNW Jun (JT)	-3,136	-3,136	-3,136	-3,136	-3,136
	Rollover	Roll over	Roll over	No rollover	No rollover
Unused	14,281	9,441	5,081	-2,919	-10,919
Jul @40% + RO	63,481	53,801	45,081	32,000	24,000
CA Av+ Jul-Sep	-12,575	-12,575	-12,575	-12,575	-12,575
Available for Harvest	50,906	41,226	32,506	19,425	11,425
Oct Rel. @20%	24,600	22,180	20,000	16,000	12,000
CA Av+ Oct-Dec	-17,369	-17,369	-17,369	-17,369	-17,369
PNW Oct. Est.	-1,350	-1,350	-1,350	-1,350	-1,350
Remaining OY	5,881	3,461	1,281	-2,719	-6,719

[2b]

35/50/15 SEASONAL RELEASE OF HARVEST GUIDELINE (MT) + ROLLOVER >100,000 TONS

(40/40/20 RELEASE < 100,000* tons)

H.GUIDELINE	123,000	110,900	100,000.00	H.GUIDELINE	90,000	80,000	70,000	60,000
Jan Rel. @35%	43,050	38,815	35,000	Jan Rel. @40%	36,000	32,000	28,000	24,000
CA Av+ Jan-Jun	-31,783	-31,783	-31,783	CA Av+ Jan-Jun	-31,783	-31,783	-31,783	-31,783
PNW Jun (JT)	-3,136	-3,136	-3,136	PNW Jun (JT)	-3,136	-3,136	-3,136	-3,136
Total Used	-34,919	-34,919	-34,919	Total Used	-34,919	-34,919	-34,919	-34,919
Avail for harvest	8,131	3,896	81	Balance	1,081	-2,919	-6,919	-10,919
Jul @50% + Rollover	69,631	59,346	50,081	Jul @40% + RO	37,081	32,000	28,000	24,000
CA Av+ Jul-Sep	-12,575	-12,575	-12,575	CA Av+ Jul-Sep	-12,575	-12,575	-12,575	-12,575
PNW Jul-Sep	-38,552	-38,552	-38,552	HG Available	24,506	19,425	15,425	11,425
Total Used	-51,127	-51,127	-51,127					
Avail for harvest	18,504	8,219	-1,046.00					
Oct Rel. @15%	18,450	16,635	15,000	Oct Rel. @20%	18,000	16,000	14,000	12,000
CA Av+ Oct-Dec	-17,369	-17,369	-17,369	CA Av+ Oct-Dec	-17,369	-17,369	-17,369	-17,369
PNW Oct. Est.	-1,350	-1,350	-1,350	PNW Oct. Est.	-1,350	-1,350	-1,350	-1,350
Remaining OY	-269	-2,084	-3,719	Remaining OY	-719	-2,719	-4,719	-6,719

[2c]

35/50/15 SEASONAL RELEASE OF HARVEST GUIDELINE (MT) + ROLLOVER >100,000 TONS

(40/35/25 RELEASE < 100,000* tons)

H.GUIDELINE	123,000	110,900	100,000.00	H.GUIDELINE	90,000	80,000	70,000	60,000
Jan Rel. @35%	43,050	38,815	35,000	Jan Rel. @40%	36,000	32,000	28,000	24,000
CA Av+ Jan-Jun	-31,783	-31,783	-31,783	CA Av+ Jan-Jun	-31,783	-31,783	-31,783	-31,783
PNW Jun (JT)	-3,136	-3,136	-3,136	PNW Jun (JT)	-3,136	-3,136	-3,136	-3,136
Total Used	-34,919	-34,919	-34,919	Total Used	-34,919	-34,919	-34,919	-34,919
Avail for harvest	8,131	3,896	81	Balance	1,081	-2,919	-6,919	-10,919
Jul @50% + Rollover	69,631	59,346	50,081	Jul @35% + RO	32,581	28,000	24,500	21,000
CA Av+ Jul-Sep	-12,575	-12,575	-12,575	CA Av+ Jul-Sep	-12,575	-12,575	-12,575	-12,575
PNW Jul-Sep	-38,552	-38,552	-38,552	HG Available	20,006	15,425	11,925	8,425
Total Used	-51,127	-51,127	-51,127					
Avail for harvest	18,504	8,219	-1,046.00					
Oct Rel. @15%	18,450	16,635	15,000	Oct Rel. @25%	22,500	20,000	17,500	15,000
CA Av+ Oct-Dec	-17,369	-17,369	-17,369	CA Av+ Oct-Dec	-17,369	-17,369	-17,369	-17,369
PNW Oct. Est.	-1,350	-1,350	-1,350	PNW Oct. Est.	-1,350	-1,350	-1,350	-1,350
Remaining OY	-269	-2,084	-3,719	Remaining OY	3,781	1,281	-1,219	-3,719

Basis for analysis of allocation options

Source: DFG - CPS monthly landings tables for CA

Jerry Thon spreadsheet – highest monthly landings in last 3 yrs for WA

JT PNW HIGH 2000-2003	1997-2003	CA SEASONAL USAGE			7 YR + HIGH AVERAGE ++	JT 3-YR HIGH + AVERAGE / 2 AVERAGE +	JT CA 3 YR HIGH
		7 YR.AV.	HIGHEST	LOWEST			
0	Jan	6,974.90	12,101.62	1,921.62	9,538	9,026	11,076
0	Feb	6,202.65	9,398.14	2,466.76	7,800	7,496	8,789
0	Mar	6,569.74	10,908.44	2,597.89	8,739	6,665	6,760
0	Apr	3,877.07	8,195.22	1,432.90	6,036	4,543	5,209
0	May	2,016.50	3,443.28	714.72	2,730	2,780	3,543
3,136	Jun	795.31	1,751.15	102.99	1,273	1,273	1,751
3,136	Jan-Jun ST	26,436.17	45,797.85	9,236.88	36,117	31,783	37,128
12,117	Jul	1,955.46	3,718.94	154.67	2,837	2,652	3,349
15,617	Aug	3,100.05	7,455.61	306.66	5,278	5,277	7,454
10,818	Sep	4,282.66	6,151.42	1,581.42	5,217	4,646	5,008
38,552	Jul-Sep ST	9,338.17	17,325.97	2,042.75	13,332	12,575	15,811
1,350	Oct	6,856.21	12,602.92	4,276.91	9,730	8,146	9,435
0	Nov	4,194.47	7,423.66	1,058.00	5,809	4,902	5,589
0	Dec	4,632.31	7,684.92	2,009.09	6,159	4,321	4,009
1,350	Oct-Dec ST	15,682.99	27,711.50	7,344.00	21,697	17,369	19,033
43,038	Total	51,457	90,835		71,146	61,727	71,972